Pellegrino, Rachel

From: Morris, Craig
Sent: Tuesday, January 04, 2011 5:23 PM
To: Brown, Brian (TM)
Subject: FW: Small business study

Follow Up Flag: Follow up
Due By: Tuesday, January 18, 2011 12:00 AM
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From: Lara Pearson [(b)(6)
Sent: Tuesday, December 14, 2010 10:17 PM
To: TMFeedback
Subject: TM Bullying survey

Greetings USPTO folks:
I hope this finds you happy!
Your questions are in **bold** and my responses are in *italics.*

1. Please identify whether you are a trademark owner or practitioner, and the general size and nature of your business or trademark practice, including the number of trademark applications and registrations your business has, or your practice handles.

I have been a licensed trademark attorney since 1998. I head the IP practice at a small, virtual law firm named Rimon Law Group. My practice currently handles appx 300 LIVE PTO records. which I hope will double in 2011.

2. In approximately the last 5 years, please describe any instances of which you have first-hand knowledge where a small business may have been the target of litigation tactics attempting to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner.

I have had 4 notable recent cases of TM Bullying:
(1) In & Out Burger vs. In & Out Car Wash (2006 -- resolved through settlement) In & Out Burger opened 2 stores in Northern NV and within 6 months send C&D letter to In & Out Car Wash (an 18 year old NV business) alleging infringement and dilution and threatening suit if the mark was not changed.
(2) WMS vs. Gametech Int'l Inc.(current -- 120 Extension of time to Oppose granted, settlement discussions ongoing) WMS' counsel often repeats that his client is the largest US slot manufacturer and thus there is no need to discuss the merits of the case.
(3) VW vs. The Canny Bus (current -- C&D letters received, settlement discussions ongoing) -- VW claims The Canny Bus infringes upon a mark it appears to have abandoned, sending volumes of registration documentation for marks that look nothing like The Canny Bus's logo.
(4) FTD vs. Bestflowers.com (current -- client is working to resolve issue on its own) FTD sent C&D letters to client claiming client must instruct Google to refrain from displaying client's mark in search results for FTD marks, although client has purchased only generic ad words for its floral business and not any FTD marks

3. Please describe situations where you have been involved in receiving a cease-and-desist letter.

All 4 aforementioned cases involved C&D letters.

4. Please describe situations where you have been involved in trademark litigation in state or federal courts.

None of the aforementioned cases resulted in litigation (yet).

5. Please describe situations where you have been involved in opposition/cancellation proceedings instituted at the USPTO against small business owners.

None of the aforementioned cases resulted in TTAB proceedings (yet).

6. Do you think trademark "bullies"are currently a problem for trademark owners, and if so, how significant is the problem?

Yes and huge -- big companies know the US legal system favors might over right and they use this to their advantage

7. Do you think aggressive litigation tactics are more pervasive in the trademark area than in other areas of the law?

I don't know.

8. Do you think the USPTO has a responsibility to do something to discourage or prevent trademark bullying? If yes, what should the USPTO do?
I don't think that the TTAB has a responsibility to do something outside of the TTAB setting. Perhaps within the TTAB context, forfeiture of relevant registrations could be a penalty for bullying (surely this would result in more Petitions to Cancel counterclaims) -- hopefully that risk would be substantial enough to dissuade some bullies.
9. Do you think the U.S. courts have a responsibility to do something to discourage trademark bullies? If yes, what should the U.S. courts do?
Yes -- Rule 11 Sanctions. It also would be nice if the courts could order cancellation of registrations in cases of clear and convincing bullying
10. What other U.S. agencies may have a responsibility to do something about the problem?
Possibly the FTC; CBP if bullying effects importation of goods
11. Do you think Congress has a responsibility to do something to discourage or prevent trademark bullying? If yes, what should Congress do?
Yes -- amend the Lanham Act to provide penalties for such activities (such as registration forfeiture).
12. Please provide any other comments you may have.
Thanks for investigating this!

Happy holidays.

Warmly,

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